

Message Text

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12

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 /093 W

----- 048686

R 291000Z DEC 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4904

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL MILAN

AMCONSUL NAPLES

UNCLAS ROME 18802

E.O. 11652: N/A

TAGS: EFIN ETRD IT

SUBJ: EXTENSION OF SHORT-TERM EXPORT CREDIT PROGRAM

REF: A. ROME 12303

B. ROME 18660

PASS TREASURY AND EXIM

1. PRESS REPORTS INDICATE THAT SLIGHT CHANGE HAS BEEN MADE IN SHORT-TERM EXPORT CREDIT PROGRAM WHOSE EXTENSION WAS ANNOUNCED BY MINISTER OF FOREIGN TRADE ON DECEMBER 19(REF B). INSTEAD OF NINETY-DAY MAXIMUM MATURITY ON SUCH CREDITS, MATURITIES OF UP TO 120 DAYS WOULD BE PERMITTED BEGINNING JANUARY 1, 1976, FOR FOUR-MONTH PERIOD.

2. ALSO, INTEREST RATE CHARGED TO ITALIAN EXPORTERS ON HALF OF CREDITED PROVIDED BY ITALIAN EXCHANGE OFFICE (UIC) WILL REPORTEDLY BE 7.5 PERCENT INSTEAD OF 8.5 PERCENT. SINCE MARKET INTEREST RATE ON OTHER HALF OF CREDIT HAS UNCLASSIFIED

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DECLINED SOMEWHAT SINCE REPORT CONTAINED IN REF A, OVERALL

COST OF CREDIT TO ITALIAN EXPORTER WOULD BE REDUCED FROM EFFECTIVE
RATE OF ABOUT 10.5 PERCENT (REF A) TO ABOUT 9.75 PERCENT.
THIS ASSUMES 7.5 PERCENT INTEREST RATE ON UIC HALF OF CREDIT
AND 12 PERCENT INTEREST RATE ON COMMERCIAL BANK CREDIT AT MARKET
RATE. (UIC INTEREST RATE IS REPORTEDLY BASED ON CURRENT CENTRAL
BANK DISCOUNT RATE OF 6.0 PERCENT PLUS 1.5 PERCENT ALLOWED TO
COMMERCIAL BANKS AS THEIR COMMISSION.)VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME18802
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750448-0772
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975128/aaaaagiq.tel
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 76 ROME 12303
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Review Comment: n/a
Review Content Flags:
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Margaret P. Grafeld
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06 JUL 2006

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Review Withdrawn Fields: n/a
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Status: NATIVE
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TAGS: EFIN, ETRD, IT
To: STATE
Type: TE
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